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SUBJECT: A/S SAUERBREY DISCUSSES REFUGEE PROBLEM WITH
BHUTANESE OFFICIALS

11. (SBU) Summary: On a November 4-7 trip to Bhutan, Assistant
Secretary for Population, Refugee, and Migration (PRM) Ellen

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Sauerbrey met with the Fourth and former King Jigme Singye Wangchuck, the Prime Minister, the Foreign Secretary, and the Managing Director of Kuensel, the national newspaper. The former King explained the complexity of identifying bonafide Bhutanese citizens in the refugee camps in Eastern Nepal, attributing the problem to a corrupt system and a 17-year delay in registration. He also discounted fears regarding the possibility of a second expulsion of ethnic Nepalese people from Bhutan, and outlined a possible timeframe for resuming negotiations with Nepal to arrange for the repatriation of a small number of "true" Bhutanese citizens residing in the camps once new governments are in place in both countries. The former King thanked the USG for stepping forward to resettle refugees in the U.S. End Summary.

Some History and A Word of Caution

12. (SBU) On November 5, PRM A/S Ellen Sauerbrey provided an update on the situation in the refugee camps in Nepal and the process of resettlement to former King Jigme Singye Wangchuck. He responded by describing the refugee problem in Nepal as complex and unique, asserting that a large number of people in the camps who claim to be Bhutanese refugees were not recognized as Bhutanese nationals when they fled Bhutan in the early 1990s. The former King complained that United Nations High Commission on Refugees (UNHCR) did not screen the refugees upon their initial arrival in Nepal (Note: The Government of Nepal (GON) did not request UNHCR assistance in forming refugee camps in Nepal until after several thousand refugees had already arrived in Nepal. End Note.) Only "after 15-16 years" did UNHCR secure the GON's permission to carry out a robust census of the camp population. He claimed that the current population in the camps includes not only Bhutanese citizens, but also Nepali and Indian citizens as well. The former King noted Indian nationals in the camps to be a delicate issue due to Bhutan's close relationship with India. According to the former King, UNHCR recognizes that not all the people in the camps are acknowledged Bhutanese

citizens. Nevertheless, he continued, UNHCR has invested significant resources in the Bhutanese refugee camps over time, and will not change its call for voluntary repatriation and other durable solutions for this population, regardless of their nationality. (Note: Many Bhutanese fled without obtaining permission from the Bhutanese government, thereby losing their citizenship according to Bhutanese law. End Note.)

¶3. (SBU) The former King expounded that both Nepalis and Indians moved to the camps claiming to be refugees because of facilities, including education up to high school, health care, housing, and food, which are better than those at most refugee camps. Though no one wants to be a refugee, these resources and facilities are better than what a rural villager in India, Nepal, or Bhutan would have access to, the former King contended. Western countries do not understand this, he concluded.

¶4. (SBU) The former King further explained that in 1958, under his father's leadership, ethnic Nepalis living in Bhutan were granted citizenship on a one-time basis. Nepalis had come to Bhutan in the 1800s as economic migrants looking for jobs. While the government has records of who became a citizen under this program, it was not until 1970 that the government decided to issue identity cards. However, the former King told A/S Sauerbrey, Bhutan made a mistake by hiring an inexpensive printer in Kolkata to produce the cards. Due to the poor quality of the identity cards, he asserted, they could be easily forged. The former King also described a "huge corrupt system" of people selling their family name and claiming false familial ties, which he noted will always contribute to difficulties in identifying true Bhutanese citizens.

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¶5. (SBU) The former King contended that when Bhutan conducted its first census in 1988, it found that a large number of people had migrated unlawfully into the country since 1958. He said Bhutan could not recognize these illegal migrants or they would have been "flooded with hundreds of thousands of economic migrants." He told A/S Sauerbrey that the Bhutan government paid people money to leave, especially those who had worked on the first hydropower plant. The former King appealed to A/S Sauerbrey, saying Bhutan simply can not afford to be generous with its immigration laws. The country is small and though there is plenty of land, he outlined, Bhutan offers its citizens a strong social support system including free health care, free education, and a low taxation bracket. With a small population, Bhutan is also able to offer higher wages than surrounding countries for unskilled labor. Such a system, he argued, is not possible with lax immigration laws and open borders. A/S Sauerbrey appreciated the background and sympathized with the need for Bhutan to enforce its immigration laws and protect its borders. She advanced the position, however that regardless of how the situation got to where it is now, the USG simply wants to find a humanitarian resolution for individuals who have spent up to 17 years in the camps.

A Second Expulsion Not in the Works

¶6. (SBU) On whether there would be a second expulsion of ethnic Nepalis who are Bhutanese citizens, the former King unequivocally stated that those rumors are not true. He postulated that the rumors began because Bhutan plans to reduce the number of workers hired on contract from other countries since construction will be suspended in 2008 for a series of special events -- elections and the transition to democracy, the coronation of the new King, and the celebration of 100 years of monarchy. Tens of thousands of contract workers will have to leave in 2008 as the country celebrates these momentous occasions, and then everything "will return back to normal," when construction resumes, the

former King promised. Even tourists will be redirected from the capital Thimphu to other parts of the country during these celebrations, he noted.

17. (SBU) On November 6, Kinley Dorji, Managing Director of Kuensel, the national newspaper in Bhutan, reconfirmed that a second expulsion was not in the works. Continuing to dispel rumors which, he hinted, only ran in international circles, Dorji asserted that in such a small, close-knit society like Bhutan, big news like an expulsion would create a panic and travel fast. Furthermore, Dorji noted that the democratization process has made people more vocal about their rights and an expulsion would surely provoke people to protest loudly. The former King and Dorji both asserted that ethnic Nepalis who are Bhutanese citizens enjoy full rights as citizens and will vote in the upcoming election. Many ethnic Nepalis are even running for political office.

Repatriation Possible and a Timeline

18. (SBU) A/S Sauerbrey pushed the former King to consider repatriation of certain categories of people, like children who have parents in Bhutan or the elderly who want to come home to live out their final days. The former King adamantly stated the issue is not age, but whether the person is a bonafide Bhutanese citizen. He emphasized the need to extend the bilateral Nepal-Bhutan verification exercise completed in one camp in 2003 to all camps. The former King asserted that the verification and repatriation process could only move forward through bilateral negotiations with Nepal.

19. (SBU) The former King stressed the critical importance of closely monitoring developments in Nepal. He expressed particular concern over a statement made by the Nepali

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government indicating that they will not abide by any past agreements -- though he admitted such statements needed to be taken with a grain of salt given the unsettled political circumstances in the country. Of additional concern to the King are the Maoists, who have threatened that they will recreate what they did in Nepal in Bhutan. He recounted the bombings during the mock elections held in April 2007 as an indication of the Maoists flexing their muscles. Bhutan must keep a close watch and be careful, the former King underscored.

110. (SBU) As for a timeline for restarting the process of repatriation, the former King asked for a little more patience. He believes it is prudent to wait for democratic elections to take place in both Bhutan and Nepal before taking on the repatriation issue. Currently, every government institution in Bhutan is fully focused on making the transition to democracy a success. In Bhutan, that process will be completed within the next four months, he averred. He also noted that the current caretaker government in Bhutan does not have the authority to make important policy decisions. Unfortunately, an election timeline in Nepal is more uncertain. Bhutan is not comfortable negotiating with a Nepalese government which the former King described as "clearly unstable" and "unable to stick to its commitments."

111. (SBU) When A/S Sauerbrey asked if Bhutan would consider people UNHCR identified for repatriation, the former King maintained that UNHCR does not have the capability to identify Bhutanese citizens. This is a job that only a joint Bhutanese-Nepalese verification team can accomplish, he firmly declared. However, he acknowledged that due to the generosity of the USG resettlement plan, the numbers of refugees in the camps will decrease, which will help put pressure on Nepal and Bhutan to address the problem. The former King expressed pleasant surprise that the USG, despite the absence of diplomatic relations with Bhutan and with no economic or other interest in the matter, is stepping forward

to resolve the problem.

¶12. (SBU) Kuensel newspaper's Kinley Dorji also addressed the issue of repatriation in his meeting with A/S Sauerbrey, noting that ethnic Nepali Bhutanese citizens still living in Bhutan are in fact afraid of the people from the camps returning. Ethnic Nepali Bhutanese citizens remember the early 1990s which caused the refugee crisis, as a terribly violent time in the country's history and they fear that the return of a large number of ethnic Nepalis could lead to ethnic tensions within Bhutan.

¶13. (SBU) Comment: A/S Sauerbrey had a productive visit to Bhutan. Though Bhutan indicated firmly it cannot restart the repatriation process at this time, it left the door open for action after the Bhutan elections and once stability is established in Nepal. All interlocutors expressed concern over Maoists elements in the camps, but also acknowledged that since disgruntled youth with no options are targets for Maoists recruitment, it is important to find a solution sooner rather than later. Once third country resettlement begins, there will be fewer people in the camps and the hope is that the verification process will be quicker than in the past (a problem with the first verification exercise) and Nepal and Bhutan will be able to work better together in the future. The decision of the Bhutanese government to have A/S Sauerbrey meet the former King instead of the current King indicates the former King still owns the refugee problem that transpired under his watch. End Summary.

¶14. (U) A/S Sauerbrey did not clear this cable, but members of her staff did review it prior to its transmission.
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